

MANAGED RISK MEDICAL INSURANCE BOARD
STATE LEGISLATIVE REPORT

June 13, 2012

Bill	Summary
<u>AB 43 (Monning)</u>	Medi-Cal: Eligibility
Version: A-5/27/2011	Would require the Department of Health Care Services to change Medi-Cal eligibility requirements to comply with the Medicaid expansions provided for in the federal Affordable Care Act beginning in 2014. The expansions are intended to include all non-elderly, non-pregnant and non-Medicare eligible individuals with incomes that do not exceed 133 percent of the federal poverty level. Among other provisions, the Medicaid expansion changes the income eligibility level for children ages 6 to 18 from 100 percent to 133 percent FPL and therefore changes HFP income eligibility standards.
Sponsor: Author	
Status: Senate – Health	
<u>AB 52 (Feuer)</u>	Health Care Coverage: Rate Approval
Version: A-6/1/2011	Would require a health care service plan or health insurer to receive approval from the departments of Managed Health Care or Insurance prior to implementing any new rate or rate change for individual or group contracts or policies, beginning January 1, 2012. The bill would also prohibit DMHC or DOI from approving any rate or rate change that is found to be excessive, inadequate or unfairly discriminatory and would authorize the imposition of fees and civil penalties on health care service plans and health insurers for violating its provisions.
Sponsor: Author	
Status: Senate – Inactive	
<u>AB 714 (Atkins)</u>	Health Care Coverage: California Health Benefit Exchange
Version: A-6/30/2011	Would require certain public insurance programs, including the Healthy Families Program, Access for Infants and Mothers, Major Risk Medical Insurance Program and Pre-Existing Condition Insurance Plan to notify individuals who cease to be enrolled that they may be eligible for coverage provided by the Exchange. Upon approval from the federal government, the bill would require these programs to transfer information to the Exchange to initiate eligibility determinations and enrollment. The bill would also require certain hospitals, when billing, to include additional disclosures regarding the availability of health care coverage provided through the Exchange.
Sponsor: Health Access	
Status: Senate – Appropriations Suspend	
<u>AB 792 (Bonilla)</u>	Health Care Coverage: California Health Benefit Exchange
Version: A-8/17/2011	Would require the courts, health care service plans, health insurers, employers, employee associations and other entities to notify individuals who may have had their health coverage suspended that they may be eligible for coverage provided by the Exchange. The bill would also require some of these entities to transfer information to the Exchange to initiate eligibility determinations and enrollment.
Sponsor: Author	
Status: Senate – Appropriations Suspend	
<u>AB 823 (Dickinson)</u>	Children's Cabinet of California
Version: A-8/15/2011	Would establish the Children's Cabinet of California to advise and make recommendations to the Governor and the Legislature on ways to improve collaboration among state agencies and departments that provide services to children and ways to improve those services. The bill would specify that the Cabinet consists of the Superintendent of Public Instruction, the Secretary of
Sponsor: Children Now	
Status: Senate –	

* New since last Board meeting.

~ Significant amendments since last Board meeting described with ~~struck out~~ and underlined text.

Bill	Summary
Appropriations Suspense	the California Health and Human Services Agency, the Chief Justice of the California Supreme Court, the heads of several other specified agencies and departments within the state and two members each of the Assembly and the Senate.
<u>AB 1072 (Fuentes)</u>	Community Development: California Promise Neighborhoods Initiative
Version: A-6/21/2011	Would establish the California Promise Neighborhoods Initiative in the Office of Economic Development to support children's development and improve community efforts regarding the health, safety, education and economic development within participating neighborhoods. This bill would specify that the OED use existing state resources, available federal funds and grants, donations and other public and private financial support. The bill would require the OED to work with the California Health and Human Services Agency and local counties to establish participation goals for the Healthy Families Program, CalFresh, Medi-Cal and other programs that it identifies.
Sponsors: Author	
Status: Senate – Appropriations Suspense	
<u>AB 1083 (Monning)</u>	Health Care Coverage: ACA Conformity
Version: A-9/2/2011	Would conform state law to certain provisions in the Affordable Care Act related to small business health care coverage. The bill would also make necessary changes to state law to implement certain ACA requirements related to individual health insurance products. Among other changes, this bill would enact the following, beginning in 2014: a prohibition on limiting or excluding coverage on the basis of health status or a pre-existing condition; a prohibition on applying risk adjustment factors; and a requirement that rate adjustments for age not vary by a ratio of more than three to one for adults. The bill would also implement the federal option to define a small employer as having 1 to 50 eligible employees from January 1, 2014, until December 31, 2015, and define a small employer as having at least 1, but no more than 100, eligible employees, on or after January 1, 2016.
Sponsors: Health Access; Small Business Majority	
Status: Senate – Inactive	
<u>AB 1334 (Feuer)</u>	Individual Health Plans: Essential Benefits and Actuarial Value of Coverage
Version: A-5/5/2011	Would require health care service plans and health insurers, from July, 2012 through December 2013, to disclose whether or not their products meet the essential benefits threshold set forth in the Affordable Care Act and whether or not their products offer an actuarial value of more than 70 percent. Beginning July 1, 2014, it would also require health care service plans and health insurers to categorize all products offered in the individual market into five tiers according to actuarial value as set forth in the ACA: bronze, silver, gold, platinum and catastrophic.
Sponsor: Author	
Status: Senate – Health	
<u>AB 1453 (Monning)</u>	Essential Health Benefits
Version: A-4/17/2012	Would require that, consistent with the Affordable Care Act, individual and small group coverage include "essential health benefits" beginning in January 2014. The bill would define "essential health benefits" as those benefits and services covered by the Kaiser Small Group HMO plan contract as offered during the first quarter of 2012. The bill specifies that these benefits and services would include those items and services covered by the contract within the categories required by the ACA and mandated benefits enacted prior to December 31, 2011. SB 951 contains similar provisions.
Sponsor: Author	
Status: Senate – Health	

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Bill	Summary
AB 1461 (Monning)	Individual Health Care Coverage
Version: A-4/9/2012	Would implement several Affordable Care Act provisions related to the offer, sale, issuance and renewal of individual health benefits, beginning in 2014.
Sponsor: Author	This bill would require health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would also require that the coverage could not be terminated nor the rate charged be varied based on health status. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. SB 961 contains identical provisions.
Status: Senate – Health	
~ AB 1526 (Monning)	California Major Risk Medical Insurance Program
Version: A-5/25/2012	Would prohibit MRMIB from imposing allow MRMIB to eliminate the annual and lifetime limits on benefits provided under the Major Risk Medical Insurance Program. Additionally, the bill would require the board to exclude from the calculation of subscriber contributions that portion of the average individual insurance premium attributable to the elimination of the benefits limits. <u>The bill would create the Major Risk Medical Insurance Reconciliation Fund and require reconciliation remittances received on or after January 1, 2013, to be deposited in the fund. The bill would require that moneys in the fund be available for any authorized purpose upon appropriation by the Legislature and not be used to pay for increased costs resulting from the elimination of annual or lifetime benefit limits.</u> Finally, the bill would also allow MRMIB to accept a licensed medical provider letter as proof of a pre-existing condition.
Sponsor: Author	
Status: Senate	
AB 1636 (Monning)	Health and Wellness Programs
Version: A-6/11/2012	Would require the Department of Managed Health Care to convene a special committee composed of individuals with specific expertise in collaboration with the Department of Insurance, the California Health Benefit Exchange and the State Department of Public Health to review and evaluate health and wellness incentive and rewards programs offered by health care service plans, health insurers and employers. The bill would require the committee to evaluate these programs for effectiveness based upon scientific evidence and to examine the extent to which these programs may result in discrimination. The bill would require the committee to meet publicly and would require the first meeting to be conducted no later than March 30, 2013.
Sponsor: Author	
Status: Senate – Health	
AB 1728 (Galgiani)	Health Care Programs: Provider Reimbursement Rate
Version: A-4/16/2012	Would prevent the provider rates within specific publicly administered health coverage programs from being reduced from the current cost-based hospital interim rate to the Medi-Cal rates developed by the California Medical Assistance Commission. This bill would have the greatest impact on providers of services to non-Medi-Cal children in the California Children's Services program, including Healthy Families Program children. Without this bill, the reduction is set to go into effect August 23, 2012. This bill would declare that it is to take effect immediately as an urgency statute.
Sponsor: California Children's Hospital Association	
Status: Assembly – Appropriations Suspense	
AB 1846 (Gordon)	Consumer Operated and Oriented Plans

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Bill	Summary
Version: A-5/17/2012 Sponsor: Author Status: Senate – Insurance	Would authorize the <u>Director of the Department of Managed Health Care to issue a health care service plan license</u> or the Insurance Commissioner to issue a certificate of authority to a consumer operated and oriented plan established consistent with the Affordable Care Act. The ACA requires the Secretary of the United States Department of Health and Human Services to establish the CO-OP program for the purpose of fostering the creation of non-profit, member-run health insurance companies in all states. The bill would specify that a CO-OP that was issued a <u>health care service plan license or certificate of authority</u> is subject to all other provisions of law relating to <u>health care service plans or insurance</u> and would further specify that a CO-OP insurer and any solvency loan obtained by the CO-OP are subject to certain requirements imposed on mutual insurers.
<u>AB 1921 (Hill)</u>	Health Insurance: Transitional Reinsurance Program
Version: A-4/23/2012 Sponsor: Author Status: Senate	Would establish a transitional reinsurance program for health plans that cover high risk individuals in accordance with the Affordable Care Act and require participation by health care service plans and health insurers. The bill would require the Insurance Commissioner and the Director of the Department of Managed Health Care to jointly select a reinsurance entity, which would collect payments from contributing health plans and pay claims and coordinate with the Pre-Existing Condition Insurance Plan and MRMIP to the extent required by federal law. The bill would require contributing entities to make payments to the reinsurance entity beginning October 1, 2013, and would provide for the reinsurance entity to pay claims to a reinsurance-eligible recipient beginning January 1, 2014. Payments and claims would cease on December 31, 2016, except for necessary adjustments.
~ <u>AB 2214 (Monning)</u>	Health Workforce Development
Version: A-5/25/2012 Sponsor: Author Status: Senate	This bill would require the California Workforce Investment Board to establish the Health Workforce Development Council to help expand California's health workforce. The council shall consist of representatives from the board's existing membership, other state agencies and departments, higher education, labor, the health care industry, workforce groups, philanthropic, nongovernmental and consumer advocacy entities. The bill would require the council to establish a statewide plan for health workforce development and to annually inform the Legislature of its initiatives and progress. <u>The bill specifies that the statutes authorizing the council cease to be effective beginning January 1, 2019.</u>
~ <u>AB 2508 (Bonilla)</u>	Public Contracts: Public Health Agencies
Version: A-5/25/2012 Sponsor: California Labor Federation, Western Center on Law and Poverty Status: Senate	Would prohibit certain state and local health agencies and departments from contracting for call center services with entities that do not certify that contracted and subcontracted work is being performed solely by workers employed in California. The bill specifies that these requirements would apply to state agencies that are authorized to enter into contracts for specific public benefit programs, including CalWORKS, CalFresh, Healthy Families and the California Healthcare Eligibility, Enrollment and Retention System. The bill further specifies that <u>agencies the Governor may waive these requirements in an emergency. The bill specifies that these requirements would not apply to a contract with a health care service plan or a specialized health care service plan regulated by the Department of Managed Health Care or a contract with a</u>

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Bill	Summary
	<u>disability insurer or specialized health insurer regulated by the Department of Insurance and any subcontracts performed under those contracts.</u>
ACA 24 (Donnelly)	Health Care Coverage
Version: I-2/24/2012	Would amend the California Constitution to prohibit a federal, state or local law or rule from compelling a person or business to participate in a health care system. The bill would further prohibit a federal, state or local law or rule from imposing penalties or fines for the sale or purchase of health care or health insurance. The bill would not affect those laws or rules that were in effect as of March 19, 2010.
Sponsor: Author	
Status: Assembly – Introduced	
SB 635 (Hernandez)	Health Care: Workforce Training
Version: A-5/31/2011	Would shift managed care administrative fine and penalty funding from the Major Risk Medical Insurance Program to family practice residency programs, physician assistant and nurse practitioner programs and registered nurse education programs administered by the Office of Statewide Health Planning and Development under the Song-Brown Workforce Training Act beginning on the date that MRMIP becomes inoperative.
Sponsor: Author	
Status: Assembly – Appropriations	
SB 677 (Hernandez)	Medi-Cal: Eligibility: ACA Conformity
Version: A-5/23/2011	Would prohibit the Department of Health Care Services from applying an assets or resources test for purposes of determining eligibility for Medi-Cal or under a Medi-Cal waiver. This bill would also require the department to use the modified adjusted gross income of an individual, or the household income of a family for the purposes of determining income eligibility for Medi-Cal. The bill would provide that these provisions shall become operative on January 1, 2014.
Sponsor: Author	
Status: Assembly – Health	
SB 690 (Hernandez)	Health Care Coverage: Discrimination
Version: A-1/10/2012	Would implement the Affordable Care Act provisions prohibiting health insurers and health care service plans from discriminating against entire classes of providers who are acting within their scopes of licensure or certification. The bill specifies that it would not require that health plans contract with any health care provider willing to abide by the terms and conditions for participation in the plan nor would it prevent a health plan from establishing varying reimbursement rates based on quality performance measures.
Sponsor: Author	
Status: Assembly – Appropriations	
SB 694 (Padilla)	Dental Care: Statewide Office of Oral Health
Version: A-1/25/2012	Would create a Statewide Office of Oral Health within the Department of Public Health to advance and protect the oral health of all Californians and would require that a licensed dentist serve as the dental director. The bill would require that the Office design and implement a study to assess safety, quality, cost-effectiveness and patient satisfaction for irreversible dental procedures performed by traditional and nontraditional providers. The bill would provide that no General Fund funding sources would be used to fund the office.
Sponsor: Children's Partnership	
Status: Assembly – Health	
SB 703 (Hernandez)	Managed Risk Medical Insurance Board: Basic Health Program
Version: A-7/12/2011	Would require the Managed Risk Medical Insurance Board to establish a basic health program pursuant to the federal Patient Protection and Affordable Care

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Bill	Summary
Sponsor: Local Health Plans of California Status: Assembly – Appropriations Suspense	Act and specifies MRMIB’s responsibilities and authorities to administer the program accordingly. Section 1331 of the Affordable Care Act provides for a state option to establish one or more “Basic Health” insurance plans for individuals between 133 percent and 200 percent of the federal poverty level instead of offering those individuals coverage through the Exchange. Coverage is provided through competitive contracting with standard health plans. Plans must provide at least the essential health benefits and individual premiums must be no greater than the corresponding silver plan on the Exchange. Federal payment for the cost of coverage in a Basic Health Program would be up to 95 percent of the coverage in the Exchange.
SB 728 (Hernandez)	Health Care Coverage: Risk Adjustment System: ACA Conformity
Version: A-5/31/2011 Sponsor: Author Status: Assembly – Health	Would require the board of the California Health Benefit Exchange to work with the Office of Statewide Health Planning and Development, the Department of Insurance and the Department of Managed Health Care to develop a risk adjustment system for products sold in the Exchange and outside of the Exchange as required under the Affordable Care Act.
~ SB 764 (Steinberg)	Developmental Services: Telehealth Systems Program
Version: A-5/30/2012 Sponsor: Author Status: Assembly – Human Services	Would require that the Department of Developmental Services establish a pilot project authorizing regional centers or vendor providers to provide intervention or therapeutic services for individuals with autism spectrum disorders through the use of telehealth. <u>The bill specifies that the section authorizing the pilot project would cease to be effective beginning January 1, 2018.</u>
SB 951 (Hernandez)	Health Care Coverage: Essential Health Benefits
Version: A-4/16/2012 Sponsor: Author Status: Assembly – Health	Would require that, consistent with the Affordable Care Act, individual and small group coverage include “essential health benefits” beginning in January 2014. The bill would define “essential health benefits” as those benefits and services covered by the Kaiser Foundation Health Plan Group HMO \$30 deductible plan contract as offered during the first quarter of 2012. The bill specifies that these benefits and services would include those items and services covered by the contract within the categories required by the ACA and mandated benefits enacted prior to December 31, 2011. AB 1453 contains similar provisions.
SB 961 (Hernandez)	Health Care Service Plans
Version: A-4/9/2012 Sponsor: Author Status: Assembly – Health	Would implement several Affordable Care Act provisions related to the offer, sale, issuance and renewal of individual health benefits, beginning in 2014. The bill would require health care service plans and insurers that offer individual and small group coverage to issue coverage to every individual or employer that applies for that coverage, regardless of health status. The bill would also require that the coverage could not be terminated nor the rate charged be varied based on health status. The bill includes several details regarding open enrollment and special enrollment periods, prohibited conditions for enrollment, prohibitions on targeted solicitations and allowable rating characteristics. AB 1461 contains identical provisions.
~ SB 970 (De Leon)	Health Care Reform Eligibility, Enrollment, and Retention Planning Act: Coordination with Other Programs

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Bill	Summary
Version: A-5/29/2012	
Sponsor: Western Center on Law and Poverty	
Status: Assembly	<p>This bill would require a county human services department to allow an applicant initially applying for or renewing health care coverage using the single state application developed as a result of the Health Care Reform Eligibility, Enrollment, and Retention Planning Act of 2011, to have his or her application information used to simultaneously initiate applications for CalWORKs and CalFresh. This bill would similarly require the county to assess CalFresh recipients for potential state health subsidy program eligibility. The bill would require the California Health and Human Services Agency to convene a work group of human services and health care advocates, and staffs of the Legislature and appropriate state and local departments to identify other human services and work support programs that might be integrated into the cross-application process. The bill would require implementation of the process by December 31, 2015. <u>The bill would provide that the provisions requiring simultaneous screening for CalWORKS and CalFresh become inoperative if the Secretary of Health and Human Services determines that such requirements would delay the implementation of the single state application.</u></p>

~ SB 1321 (Harman)	Essential Health Benefits
Version: A-5/30/2012	
Sponsor: Author	
Status: Senate – Health	<p>Would require the board of the California Health Benefit Exchange to determine the total cost of benefits for each health plan listed as an essential health benefits benchmark plan for the purpose of defining essential health benefits under the ACA. The bill would require that the plan with the lowest total cost of benefits set the benchmark for items and services to be included in the definition of essential health benefits. <u>This bill would take effect immediately as an urgency statute.</u></p>

* SB 1416 (Rubio)	Medical Residency Training Program Grants
Version: A-5/29/2012	
Sponsor: Author	
Status: Assembly – Health	<p>Would create the Graduate Medical Education Trust Fund in the State Treasury to consist of private moneys donated to the California Healthcare Workforce Policy Commission. The bill would require that the fund be used, upon appropriation by the Legislature, to fund grants to graduate medical residency training programs. The bill would require the Office of Statewide Health Planning and Development, in consultation with the California Healthcare Workforce Policy Committee, to develop criteria for distribution of available funds. The bill would require that no general fund moneys be used to implement its provisions.</p>

Bills No Longer Being Reported

Bill	Summary
AB 1809 (Monning)	Health Care Coverage
<p>This bill failed the deadline for bills to pass out of their house of origin [Joint Rule 61(b)(11)]</p>	<p>Would delete obsolete provisions of law requiring the Managed Risk Medical Insurance Board to submit reports to the Legislature related to drug and alcohol programs for children and the health care needs of vulnerable children in HFP. These reports have been completed and submitted to the Legislature by their respective due dates and the sections proposed to be deleted are no longer operative. The bill also amends provisions implementing the Affordable Care Acts' medical loss ratio requirements to provide health care service plans and health insurers with additional flexibility regarding the manner in which</p>

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Bill	Summary
	they provide the required rebates.
SB 1313 (Lieu)	Health Care Coverage
This bill failed the deadline for fiscal committees to hear and report bills to the floor of their house of origin [Joint Rule 61(b)(8)]	Would make changes to the Knox-Keene Act and the Insurance Code to implement various provisions relating to fraud, deceptive marketing or advertising, misrepresentation and language assistance services under the Affordable Care Act. The bill would also prohibit a specialized or discount health care service plan, health insurer or specialized health insurer from offering, issuing, selling or renewing an individual or group plan contract or health insurance policy that does not, at a minimum, cover basic health care services. The only exception would be if the individual or group has proof of enrollment in minimum essential coverage as defined under the ACA. The bill would require a health care service plan or health insurer that offers, issues, or sells a plan contract or health insurance policy that provides coverage that does not constitute minimum essential coverage to include in all solicitations, marketing materials and the evidence of coverage a clear and easily identified disclosure to that effect. The bill would enact other related provisions.
Knox-Keene Bills <i>The following list includes bills that would change the requirements of health care service plans under the Knox-Keene Health Care Service Plan Act of 1975. Staff will continue to track the progress of these bills and provide additional summary information as needed.</i>	
Bill	Mandated Service or Benefit
AB 137 (Portantino)	Mammography upon referral, regardless of age
AB 154 (Beall)	Mental health services for non-SMI (severe mental illness) services and substance abuse disorders
AB 171 (Beall)	Screening, diagnosis and treatment, other than behavioral health treatment, of pervasive developmental disorder or autism
AB 369 (Huffman)	Restrictions on health plan imposed step-therapy
AB 1000 (Perea)	Cost-sharing limitations on certain prescribed cancer drugs
~ AB 1800 (Ma)	<u>ACA conformity: out-of-pocket limits on outpatient all covered benefits, including prescription drugs coverage</u>
SB 255 (Pavley)	Definition of mastectomy to include lumpectomy
SB 1538 (Simitian)	Mammograms: notice on breast density to be included in written summary report provided to patients
Mandate Bills No Longer Being Reported	
Bill	Summary
AB 2064 (Perez)	Prohibition on cost-sharing for childhood immunizations

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